WEEKLY ECONOMIC REVIEW

June 8, 2007

In May, Alberta employment fell by 7600, following very strong growth in the first four months of this year. The unemployment rate increased to 3.8% in May from 3.4% in April. Despite the increase, the unemployment rate remains the lowest among the provinces.

Canada's employment increased slightly by 9,300 in May, up 0.1 percentage points from April. The unemployment rate remained at 6.1%, a 33-year low.

Employment in the U.S. increased by 0.1% in May, as health and food services added jobs. U.S. employment is up 1.5% year-to-date and the unemployment rate is unchanged at 4.5%.

Total Alberta building permits declined by 8.9% in April mainly due to a large drop in non-residential construction. Building permits continue to grow at a solid rate of 17.8% year to date.

Alberta's preliminary housing starts were 46,300 units in May, down from 50,700 in April. Starts were still 0.7% higher than last year.

A recent Rental Market Report by the Canadian Mortgage and House Corporation confirmed that Alberta's rental market remains tight, with an overall vacancy rate of 0.9% in April. Calgary's vacancy rate stood at 0.5%, while Edmonton's was slightly higher at 1.1%. Canmore, Okotoks, and Wetaskiwin all reported a zero percent vacancy rate. The average rent for an Alberta apartment was close to $850 per month, up 8% from the fall survey. Housing markets are under pressure from the influx of people moving to Alberta.

Although oil prices rose during the week, they fell below US$65 this morning on mounting concerns of slower global economic growth.

Cdn Dollar (US¢/CS)

June	8, 2007	94.1¢
June	1, 2007	94.3¢
2007-08	YTD	90.4¢

WTI Oil US$/bbl

June	7, 2007	$66.93
May	31, 2007	$64.01
2007-08	YTD	$64.00

Nymex Natural Gas C$/MMBtu*

June	8, 2007	$8.23
June	1, 2007	$8.35

*Estimate based on Nymex Futures Market Price

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
Employment (000s)	**May**			
Alberta	1,943	-0.4%	3.5%	5.2%
Canada	16,803	0.1%	1.8%	2.3%
United States	137,831	0.1%	1.4%	1.5%
Housing Starts (000s)[2]	**May**			
Alberta	46.3	-8.7%	-8.1%	0.7%
Canada	229.7	8.4%	2.9%	-6.0%
Building Permits ($ Million)	**April**			
Alberta	1,170	-8.9%	21.8%	17.8%
Canada	5,569	-8.4%	12.5%	15.2%

Source: Statistics Canada and Canada Mortgage and House Corporation
1Year-to-date 2007 compared to the same period in 2006;
2 Seasonally adjusted at annual rates.